

Current market commentary

Things got a bit bumpier in global markets over the last few days. Growth concerns and economic disappointments due to the rapid spread of the delta variant, more hawkish tones from the US central bank (tapering discussion) and regulatory tightening in China weighed on investor sentiment. In addition, the monthly option expiration weighed on investor sentiment last week. However, historically high equity fund inflows, increasing share buybacks, corporate takeovers and a strong Q2 reporting season continue to support and investors seem willing to continue buying setbacks. The S&P 500 has not seen a decline of more than 5% since October 2020. The picture is similar for European equities, which have kept pace with their US counterparts since the beginning of the year. We expect them to continue to perform well. The sector structure of European indices has improved, the valuation discount to the US is at an all-time high and earnings revisions have been recently positive especially in Europe.

Short-term outlook

This week is dominated by the central banks. On 26 August the ECB Monetary Policy Accounts Meeting will take place and on 26-28 August the Fed Economic Forum in Jackson Hole. The market will be watching closely to see what Fed Chairman Powell will say about a possible exit from its bond-buying programme. Today, the Purchasing Managers' Indices (Aug.) for several countries in the euro-zone and for the US should give an insight into the growth expectations of the economy. Then it will become clear whether the market's growth concerns are justified. Similarly, the German Ifo Business Climate Index (Aug.) and the US Durable Goods Orders (Jul.) will be released on Wednesday. The French business climate index (Aug.) will follow on Thursday. The following week, inflation data (Aug.), retail sales (Aug.) and labour market data (Aug.) will be released for Germany, as well as the ISM Purchasing Managers Index (Aug.), labour market data (Aug.) and consumer confidence (Aug.) for the US.

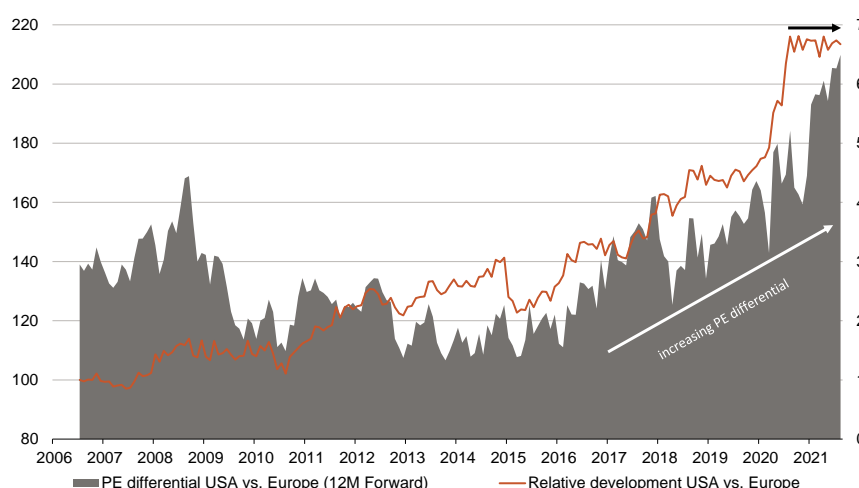
The bi-weekly **Monitor** gives you a structured overview of the current capital market environment and highlights important developments:

- Performance
- Positioning
- Sentiment
- Surprise Indicators
- Economics
- Foreign Exchange
- Equities
- Sovereign Bonds & Central Banks
- Corporate Bonds
- Commodities

Possible reduction of Fed bond-buying programme under discussion

Purchasing managers' indices for August provide insight into growth outlook

European equities historically favourably valued relative to US equities

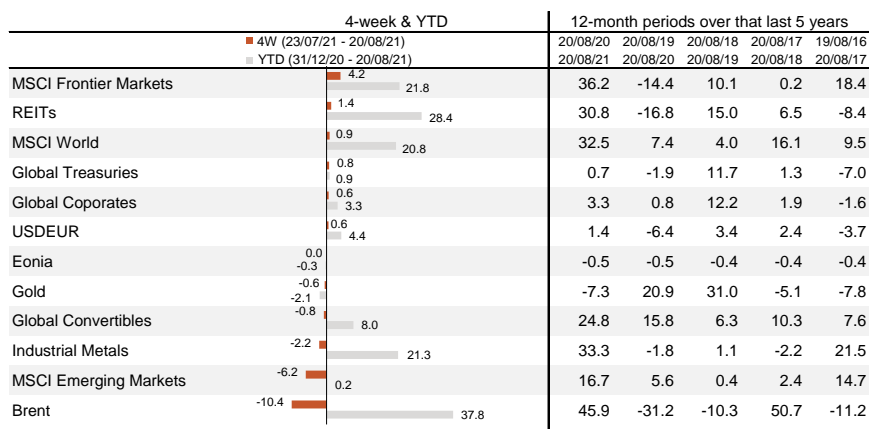


- European equities have underperformed their US counterparts for years. For some months now, however, export-oriented and more cyclically sensitive Europe has been able to keep up.
- Going forward, US equities are likely to have a harder time in relative terms, as the sector structure of European indices has improved structurally (EPS/growth trend) - thanks to more IT, consumer discretionary and industrials. Combined with the high valuation discount, we see noticeable long-term potential in Europe.

USA: MSCI USA TR; Europe: MSCI Europe TR
Source: Bloomberg, Period: 31/07/2006 - 20/08/2021



Multi Asset



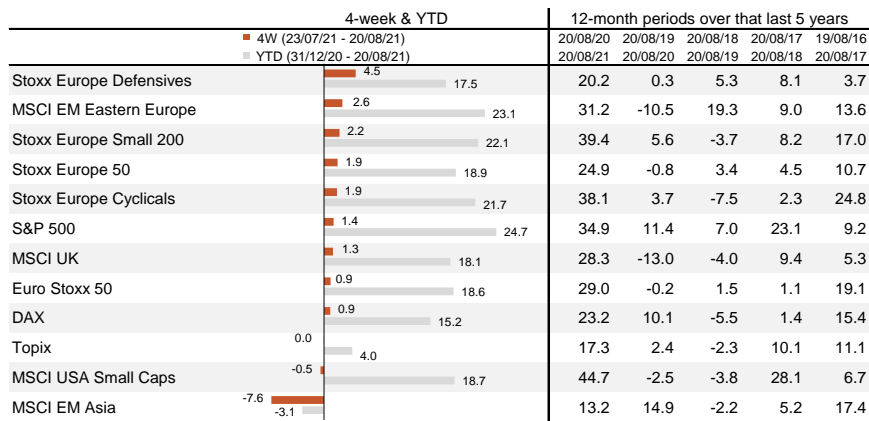
MSCI World: MSCI World Net Return; MSCI Emerging Markets: MSCI EM Net Return; MSCI Frontier Markets: MSCI Frontier Markets Net Return;
REITs: MSCI World REITs Index; Global Treasuries: Bloomberg Barclays Global Agg Treasuries TR; Global Corporates: Bloomberg Barclays Global Aggregate Credit TR
Global Convertibles: Bloomberg Barclays Global Convertibles Composite TR; Gold: Gold US Dollar Spot; Brent Crude: Bloomberg Brent Crude Subindex TR;
Industrial Metals: Bloomberg Industrial Metals Subindex TR; Eonia: Eonia Capitalization Index; USDEUR: Price of 1 USD in EUR.

- Brent has shown the weakest performance over the last four weeks, however it has still performed strongest year to date. Demand concerns caused by the delta variant are to blame.
- Frontier equities have performed best over the last month. Their counterparts in the emerging markets, on the other hand, declined sharply. Especially China weighed on the performance.

Total return of selected asset classes, in euros and in percent, sorted by 4-week performance.

Source: Bloomberg, Time period: 19/08/2016 - 20/08/2021

Equities



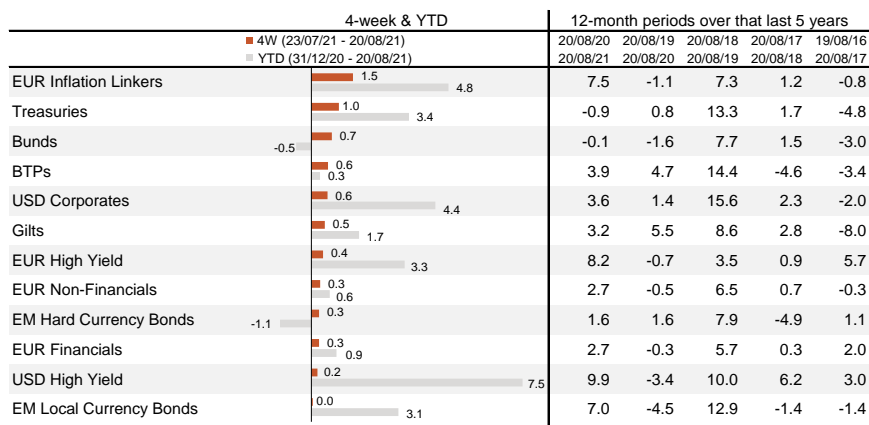
S&P 500: S&P 500 TR (US-Equity); Stoxx Europe 50: Stoxx Europe 50 TR; Euro Stoxx 50: Euro Stoxx 50 TR; Topix: Topix TR (Japanese Equity);
Stoxx Europe Small 200: Stoxx Europe Small 200 TR; MSCI USA Small Caps: MSCI USA Small Caps TR; Stoxx Europe Cyclical: Stoxx Europe Cyclical TR;
Stoxx Europe Defensives: Stoxx Europe Defensives TR; DAX: DAX TR; MSCI United Kingdom: MSCI UK TR; MSCI EM Asia: MSCI EM Asia TR;
MSCI EM Eastern Europe: MSCI EM Eastern Europe TR.

- Stock markets were able to make further gains across the board in the last four weeks. However, the "risk-off" sentiment has also made itself felt here, at least under the surface: defensive stocks made the strongest gains.
- Asia was by far the weakest region. Here, the high level of regulatory uncertainty continues to weigh on investors' minds.

Total return of selected equity indices, in euros and in percent, sorted by 4-week performance.

Source: Bloomberg, Time period: 19/08/2016 - 20/08/2021

Fixed Income



Bunds: Barclays Germany Govt All Bonds TR; BTPs: Barclays Italy Govt All Bonds TR; Treasuries: Barclays US Treasury TR;
Gilts: Barcl. UK Govt All Bonds TR; EUR Inflation Linkers: Barcl. Euro Govt Inflation-Linked Bond All Maturities TR; EUR Financials: IBOXX Euro Fin. Overall TR;
EUR Non-Financials: IBOXX Euro Non-Fin. Overall TR; EUR High Yield: Market iBoxx EUR Liquid HY TR; USD Corporates: iBoxx USD Corporates TR;
USD High Yield: IBOXX USD Liquid HY TR; EM Hard Currency: Barcl. EM Hard Currency Agg Govt Related TR; EM Local Currency: Barcl. EM Local Currency Govt TR.

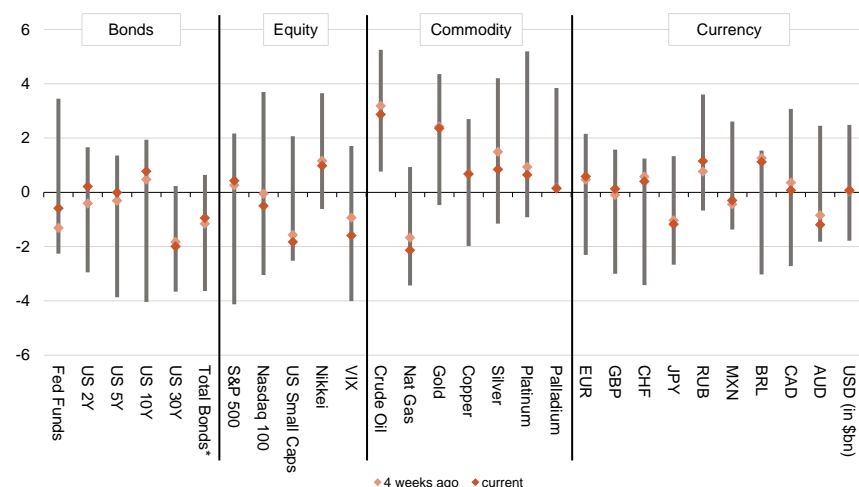
- All bond segments shown here posted gains over the past month, with credit quality being favoured - government bonds outperformed corporate bonds.
- Inflation-indexed EUR bonds performed best. Rising inflation expectations with stable nominal yields caused real interest rates to fall.

Total return of selected fixed income indices, in euros and in percent, sorted by 4-week performance.

Source: Bloomberg, Time period: 19/08/2016 - 20/08/2021



Non-Commercial Positioning



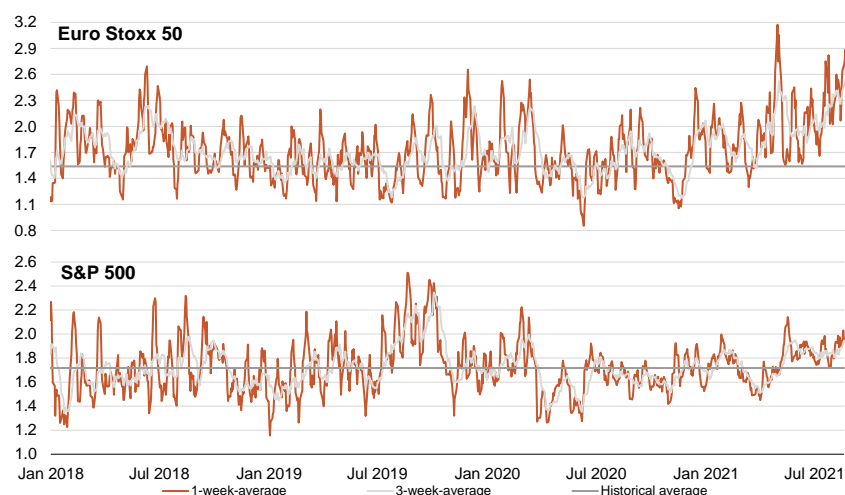
- Hedge funds have reduced risk over the last four weeks. They have increased their demand for bonds and reduced their positions in equities and commodities. They are even net short in US tech stocks and US small caps at the moment.

The Commodity Futures Trading Commission (CFTC) publishes the Commitments of Traders Reports every Friday. A distinction is made between "non-commercial" and "commercial traders" positions. Non-commercial traders enter into purely speculative positions. Commercial traders hedge underlying transactions with futures or options. The chart shows the historical, normalized distribution in standard deviations and focuses on the net future position (long positions minus short positions) of non-commercial traders, thus indicating how speculative investors have positioned themselves.

*Duration weighted average bond position.

Source: Bloomberg, CFTC, Time period: 17/08/2011 - 17/08/2021

Put-Call Ratio

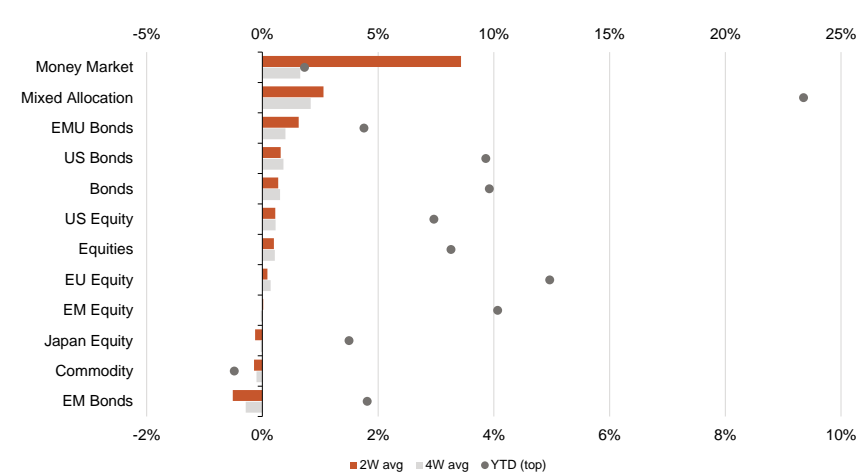


- Market participants' need for hedging remains high.
- The put-call ratio has risen for both European and US equities in the last two weeks and is above the historical average in both cases.

The put-call ratio is the ratio of traded put options (speculation on falling prices) to call options (speculation on rising prices) across all maturities. The higher (lower) the ratio, the more cautious (optimistic) are the market participants. The data have been available for the S&P 500 since 20 December 1993 and for the Euro Stoxx 50 since 24 February 2006.

Source: Bloomberg, Time period: 20/12/1993 - 20/08/2021

ETF Flows



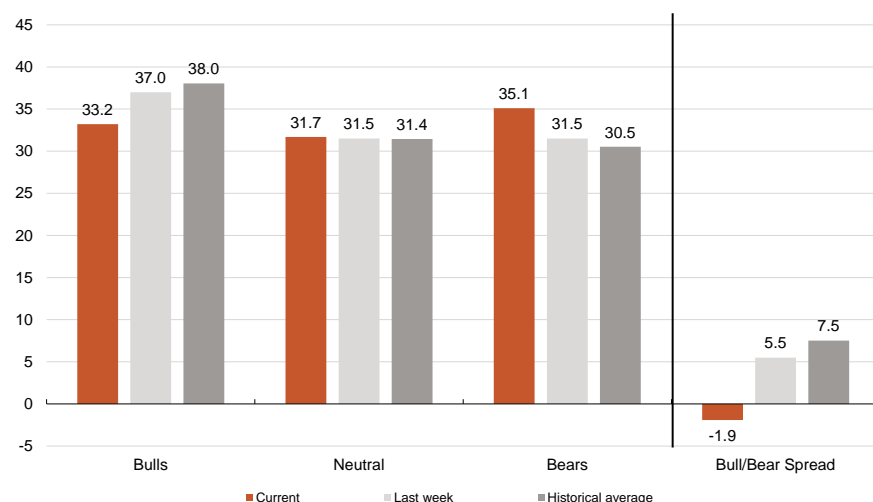
- The fact that investors have become slightly more cautious is also reflected in ETF flows.
- Money market ETFs recorded the most inflows in the last two weeks in terms of own assets under management. Moreover, bond ETFs were ahead of equities in aggregate.

Estimated ETF flows in percent of assets under management, sorted by 2-week average.

Source: Bloomberg, Time period: 31/12/2020 - 20/08/2021



AII Sentiment Survey (Bulls vs Bears)

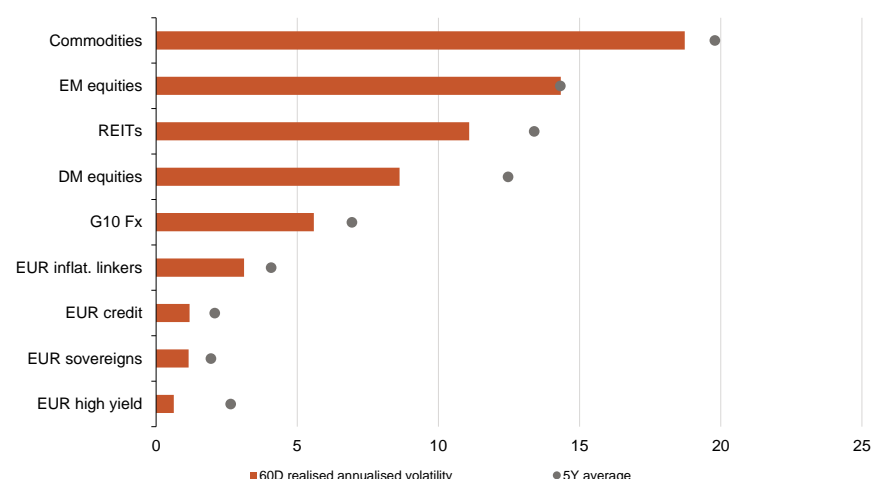


- With a bull/bear spread of -2 ppts, pessimism prevails among US private investors for the first time since the end of January.
- Tapering concerns combined with globally rising COVID-19 case numbers weighed on sentiment.

The sentiment survey conducted by the American Association of Individual Investors determines the percentage of private investors who are optimistic, pessimistic or neutral regarding the US equity market outlook for the upcoming six months. It has been carried out since 1987. The survey is conducted from Thursday to Wednesday and the results are published every Thursday. For the stock market, it tends to be supportive when there is a high proportion of bulls and a low proportion of bears. However, it is a negative indicator when there are significantly more optimists than pessimists.

Source: Bloomberg, AII, Time period: 23/07/87 - 19/08/21

Realised Volatilities

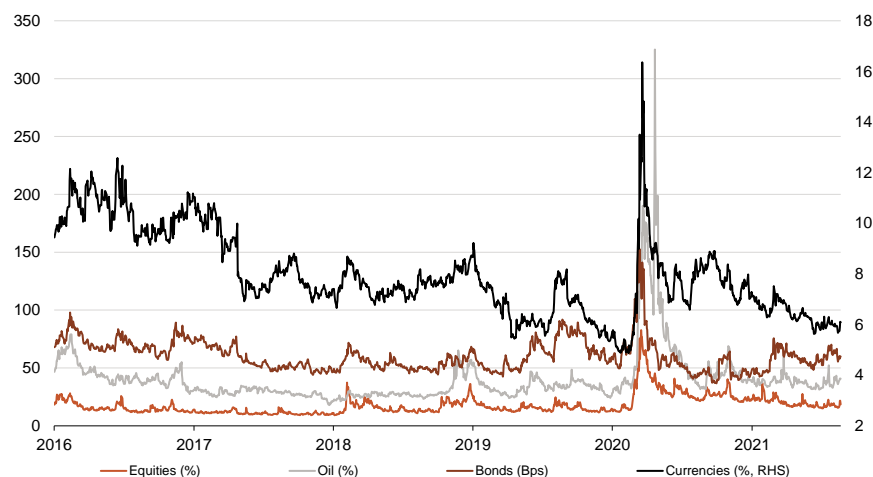


- Realised volatility is currently below the average of the last 5 years for almost all asset classes.
- However, due to the last, turbulent week, it has risen again somewhat compared to a fortnight ago.
- Commodities remain the most volatile and high-yield bonds the lowest volatility asset class.

Realised volatility (in percent) measures the historical range of variation of a time series and is defined here as the standard deviation of the daily returns over the last 60 trading days. Volatility is often used as a measure of risk.

Source: Bloomberg, Time period: 23/07/2016 - 20/08/2021

Implied Volatilities



- The VIX shot back above the 20% mark last week as many options expired and reached its highest level since mid-May.
- Implied volatility in government bonds again fell slightly compared to a fortnight ago.

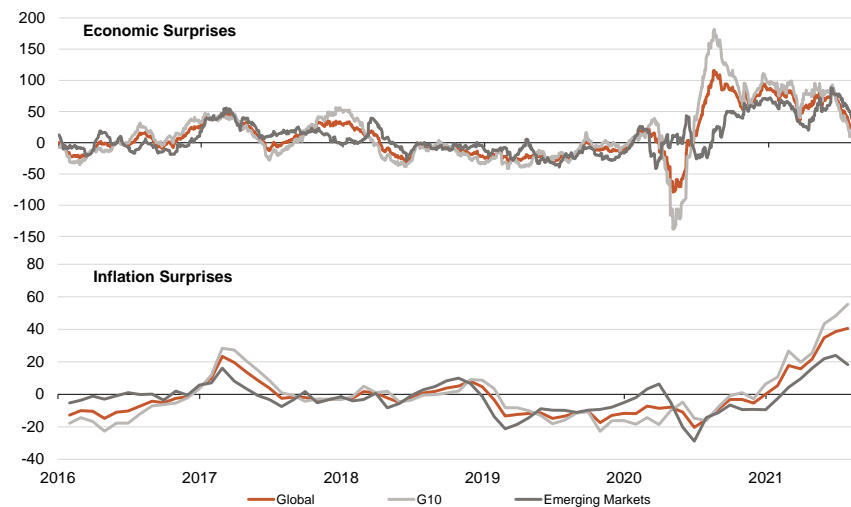
The price of options depends on the volatility of the underlying instrument. Implied volatility can therefore be interpreted as a measure of the currently expected fluctuation range of the underlying compared to the market over the remaining term of the option. It is a measure of prevailing uncertainty in the financial markets.

Stocks = VIX Index, Oil = OVX Index, Government Bonds = MOVE Index, Currencies = CVIX Index

Source: Bloomberg, Time period: 01/01/2016 - 20/08/2021



Global

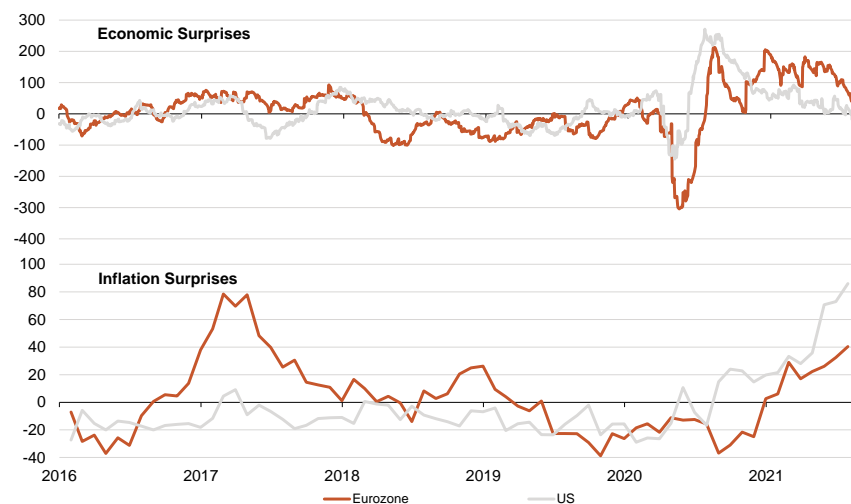


- The slowdown in economic growth is now also clearly reflected in economic surprises. The G10 economic surprise index, for example, has slipped into negative territory for the first time since 2020. The global index is on the verge of doing so also. Thus, negative surprises clearly outweighed the positive ones recently.
- Emerging markets are still looking a little better, even though industrial production and retail sales in China have disappointed recently.

See explanations below.

Source: Bloomberg, Time period: 01/01/2016 - 20/08/2021

Eurozone and US

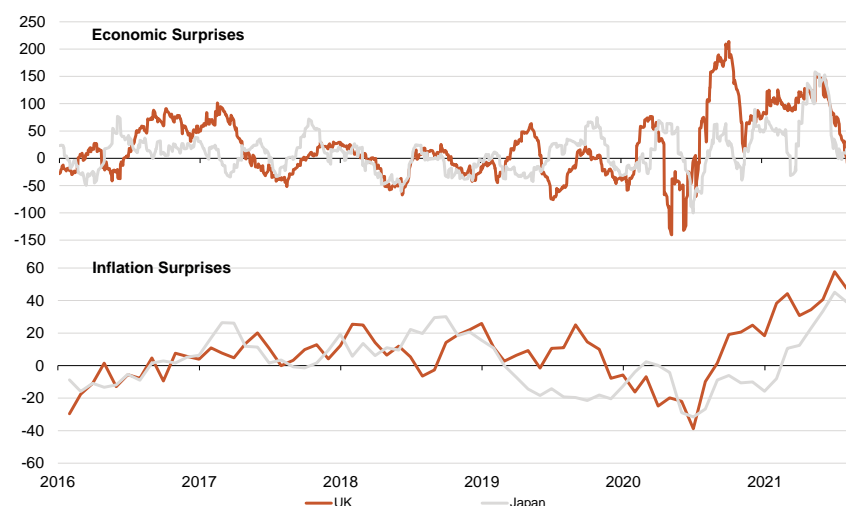


- In the US, there have also been more negative than positive economic surprises recently. Retail sales, consumer confidence and the Empire Manufacturing Index were all disappointing. Industrial production, on the other hand, was a positive surprise.
- There were also more negative economic surprises in the eurozone. In Germany, for example, the ZEW index failed to beat expectations.

See explanations below.

Source: Bloomberg, Time period: 01/01/2016 - 20/08/2021

UK and Japan



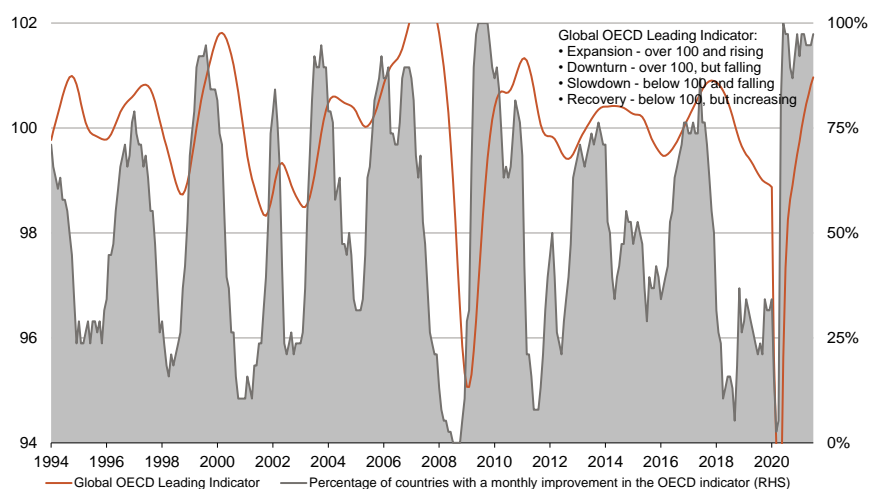
- The situation in UK and Japan is similarly negative. In UK, industrial data have been particularly disappointing recently. However, there are also bright spots. In Japan, for example, machinery orders and industrial sentiment have surprised to the upside.

Citigroup Economic Surprise Indices are defined as weighted historical, normalized data surprises (actual releases vs. Bloomberg survey median) over the last three months. A positive value of the index indicates that the economic data have exceeded the consensus on balance. The indices are calculated daily based on a rolling three-month period. The indices use a time decay function to replicate the markets limited memory, i.e. the weight of a data surprise decreases over time.

Source: Bloomberg, Time period: 01/01/2016 - 20/08/2021



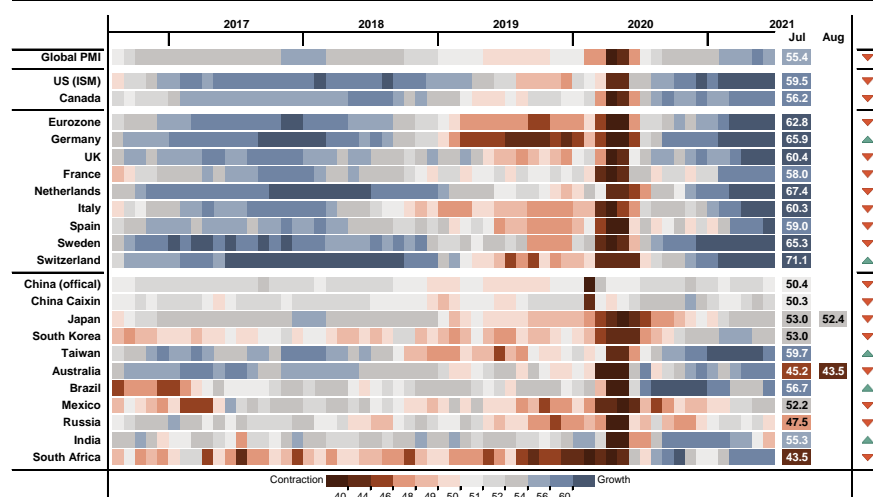
OECD Leading Indicator



- Despite the spread of the Delta variant, the global OECD indicator rose in July to its highest level since 2011. Despite the slowdown in growth, the global economy is thus still clearly in the expansion phase.
- This is also shown by looking at the individual countries, where in July the index improved for 97% of the participants compared to the previous month.

The OECD Leading Indicator is composed of a series of selected economic indicators whose composition provides a robust signal for future turning points. A turning point in the indicator usually signals a turning point in the economic cycle in 6-9 months. However, lead times are sometimes outside this range and turning points are not always correctly detected.
 Source: Bloomberg, Time period: 31/01/1994 - 31/07/2021

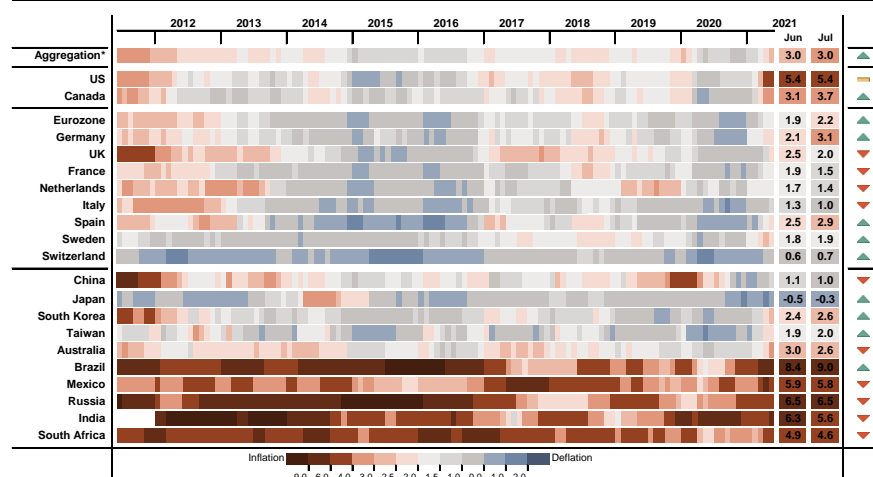
Manufacturing Purchasing Managers Index (Manufacturing PMI)



- The global PMI fell to 55.4 in July after reaching a high of 56 in May. Global growth momentum is thus slowing.
- The August PMI fell in both Japan and Australia from the previous month. The economies of both countries continue to suffer from increased Covid restrictions.

The PMI is an overall index that provides a general overview of the economic situation in industry. The PMI is derived from a total of eleven sub-indices, which reflect the change from the previous month. A value of 50 is regarded as neutral, a value of over 50 points as an indicator of rising activity in industry and a value of less than 50 points for falling activity in industry compared with the previous month. The index has an average lead time before actual industrial production of three to six months. The PMI is based on a survey of a relevant selection of purchasing managers regarding the development of parameters such as incoming orders.
 Source: Bloomberg, Time period: 31/08/2016 - 20/08/2021

Headline Inflation

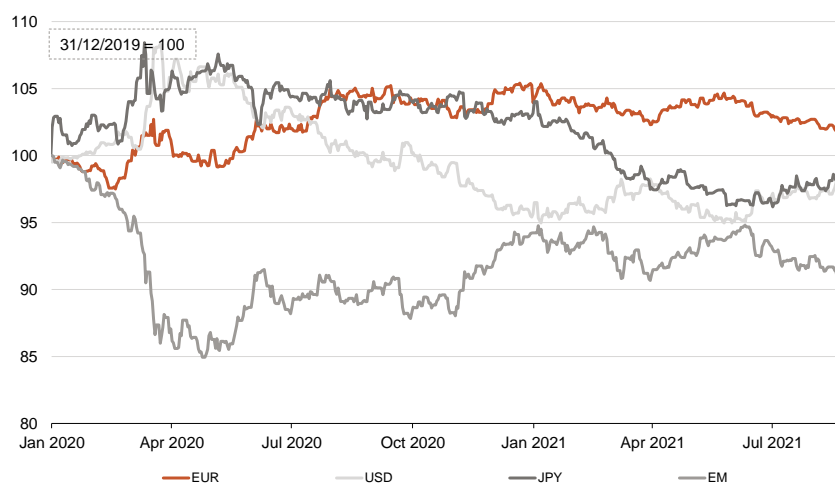


- Inflationary pressure in the US did not increase further. Even though inflation did not increase further in July, it remains at a high level of 5.4%.
- In the UK, on the other hand, inflation fell to 2% in July. However, the decline is likely to be temporary. Our economists expect a higher value again for August, as base effects are more pronounced in August.

Inflation is measured (in percent, year-on-year comparison) using a consumer price index, also known as a shopping basket of goods. This shopping basket contains all goods and services that a household purchases on average per year. * = weighting by gross domestic product.
 Source: Bloomberg, Time period: 31/07/2011 - 31/07/2021



Trade-Weighted Currency Development

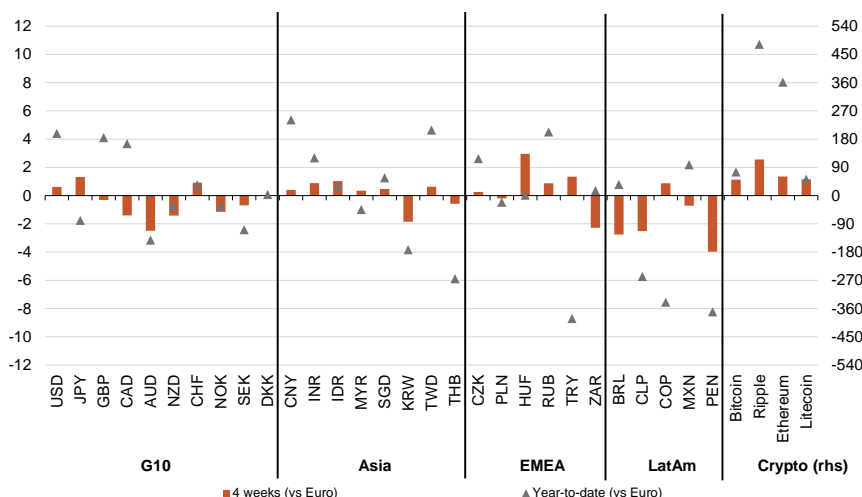


- In the currency market, the trends since the start of H2 21 have continued.
- Emerging market currencies and the euro depreciated.
- The Japanese yen and the US dollar, on the other hand, were in demand for their function as safe havens.

A trade-weighted index is used to measure the effective value of an exchange rate against a basket of currencies. The importance of other currencies depends on the share of trade with the country or currency zone.

Source: Bloomberg, Time period: 01/01/2020 - 20/08/2021

Currency Moves vs Euro

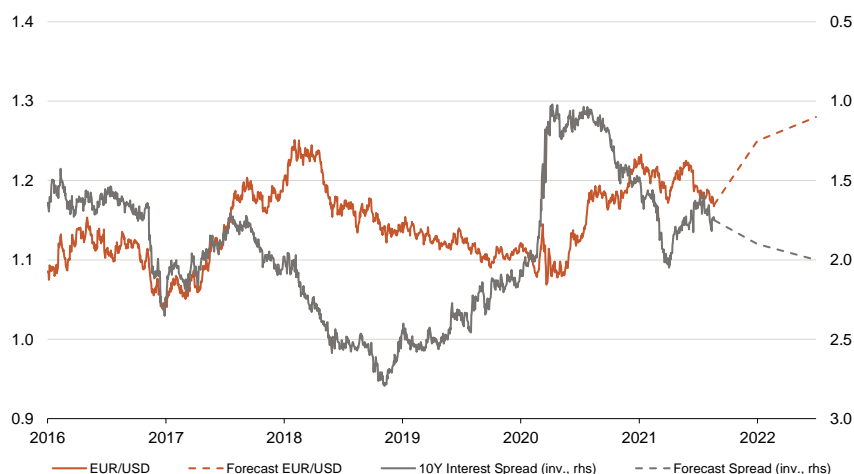


- The currency moves against the Euro were mixed over the past month.
- Currencies of countries that are heavily dependent on commodity exports and therefore suffered from the recent price weakness lost the most ground.
- Cryptocurrencies have been the big winners over the last four weeks. Bitcoin is currently trading back above USD 50,000.

Performance of selected currencies against the euro, in percent.

Source: Bloomberg, Time period: 31/12/2020 - 20/08/2021

EUR/USD Exchange Rate and Interest Rate Differential



- The EUR/USD exchange rate hit a new low for this year last week at 1.1696, the lowest since the positive vaccine-news in November of last year.
- The USD benefitted in several ways in recent weeks. On the one hand, strong labour market data and tapering discussions provided a boost. On the other hand, it was also more in demand again as a safe haven.

EUR/USD exchange rate and interest rate differential (in percentage points) of 10-year US Treasuries and 10-year Bunds.

Source: Bloomberg, Time period: 01/01/2016 - 30/06/2022



European Sector & Style Performance

| | 4-week & YTD | | 12-month periods over that last 5 years | | | | | |
|------------------------|--------------------------|---------------------------|---|----------|----------|----------|----------|----------|
| | 4W (23/07/21 - 20/08/21) | YTD (31/12/20 - 20/08/21) | 20/08/20 | 20/08/19 | 20/08/18 | 20/08/17 | 20/08/16 | 19/08/16 |
| Health Care | 5.6 | 22.9 | 19.5 | 11.2 | 11.5 | 7.0 | 0.0 | |
| Utilities | 5.2 | 7.6 | 18.2 | 12.6 | 17.3 | -1.0 | 9.8 | |
| Information Technology | 4.3 | 32.9 | 43.5 | 20.4 | 1.3 | 17.7 | 17.3 | |
| Telecommunications | 2.9 | 18.9 | 25.6 | -14.0 | -0.4 | -9.8 | 1.0 | |
| Finance | 2.9 | 20.6 | 37.8 | -12.4 | -9.7 | -6.0 | 35.9 | |
| Value | 1.7 | 16.7 | 30.1 | -10.4 | -5.8 | 2.0 | 18.2 | |
| Growth | 1.6 | 21.8 | 30.8 | 8.4 | 5.4 | 8.2 | 8.0 | |
| Energy | 1.5 | 13.1 | 25.8 | -35.3 | -9.6 | 28.5 | 6.7 | |
| Industrials | 1.0 | 22.6 | 38.9 | 6.3 | -0.6 | 7.8 | 14.9 | |
| Materials | 0.2 | 20.9 | 38.8 | 12.9 | -6.3 | 10.1 | 20.4 | |
| Consumer Staples | 0.0 | 12.5 | 14.7 | -4.0 | 10.4 | 4.4 | 1.8 | |
| Consumer Discretionary | -4.9 | 15.0 | 43.6 | -1.7 | -1.9 | 6.8 | 11.7 | |

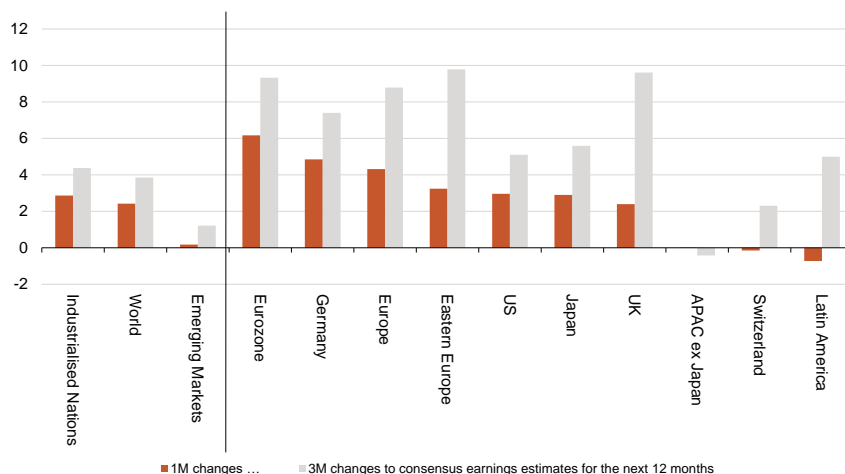
Consumer Discretionary: MSCI Europe Consumer Discretionary NR; Consumer Staples: MSCI Europe Cons. Staples NR; Energy: MSCI Europe Energy NR; Finance: MSCI Europe Financials NR; Health Care: MSCI Europe Health Care NR; Industrials: MSCI Europe Industrials NR; Information Tech.: MSCI Europe Inform. Tech. NR; Materials: MSCI Europe Materials NR; Telecommunications: MSCI Europe Telecommunication Services NR; Utilities: MSCI Europe Utilities NR; Value: MSCI Europe Value NR; Growth: MSCI Europe Growth NR.

- Not only at a regional level but also at a sectoral level less volatile segments were favoured. Healthcare and utilities lead the field. Cyclical consumer goods performed the worst.
- As per style, trends were again less clear. Value and growth have been performing in line over the last month.

Total return of European equity sectors and European style indices, in euros and in percent, sorted by 4-week performance. The difference between Value and Growth lies in the valuation. A growth stock is highly valued because the company is expected to grow strongly. Value stocks generally have less growth potential and are valued lower.

Source: Factset, Time period: 20/0/2016 - 20/08/2021

Changes in Consensus Earnings Estimates



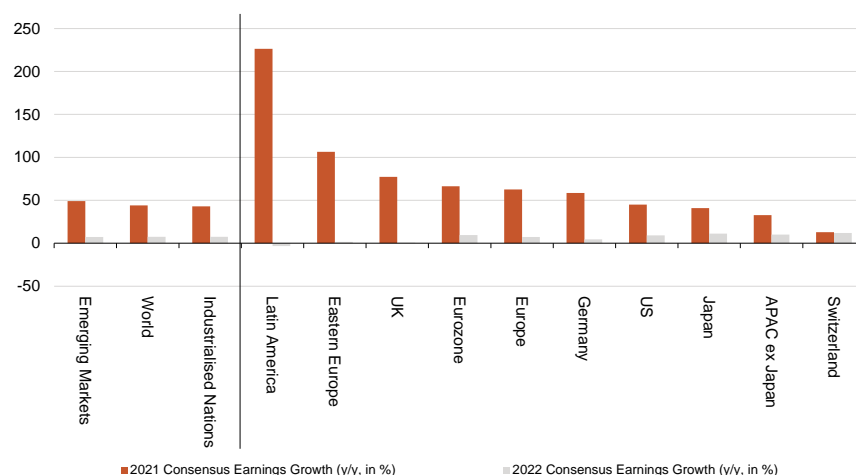
- The positive earnings revisions in the last four weeks are mainly to be found in industrialised nations, while earnings expectations in emerging markets have only increased slightly.
- Earnings estimates rose the most for the eurozone, Germany and Europe. Asia ex Japan and Latin America, on the other hand, saw hardly any positive earnings revisions.

1-month and 3-month changes in consensus earnings estimates for the next 12 months, in percent.

APAC ex Japan = Asia Pacific ex Japan

Source: FactSet, as of 20/08/2021

Earnings Growth



- Consensus expects 2021 earnings growth of 50% year-on-year for emerging markets, thanks to Latin America and Eastern Europe.
- For the industrialised nations, earnings growth is also expected to be extremely high at 43%.

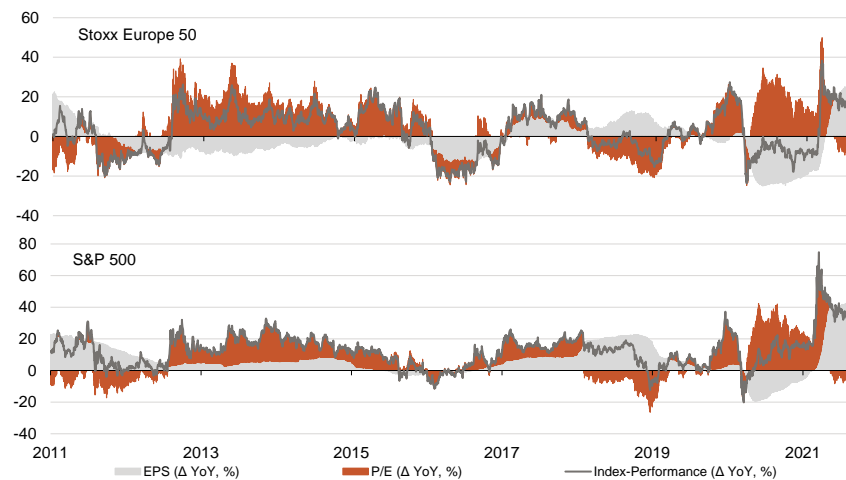
Calendar year earnings growth consensus expectations for selected equity regions, compared to the previous year and in percent. The earnings estimates of the individual companies are aggregated using the index weights (bottom-up).

APAC ex Japan = Asia Pacific ex Japan

Source: FactSet, as of 20/06/2021



Contribution Analysis

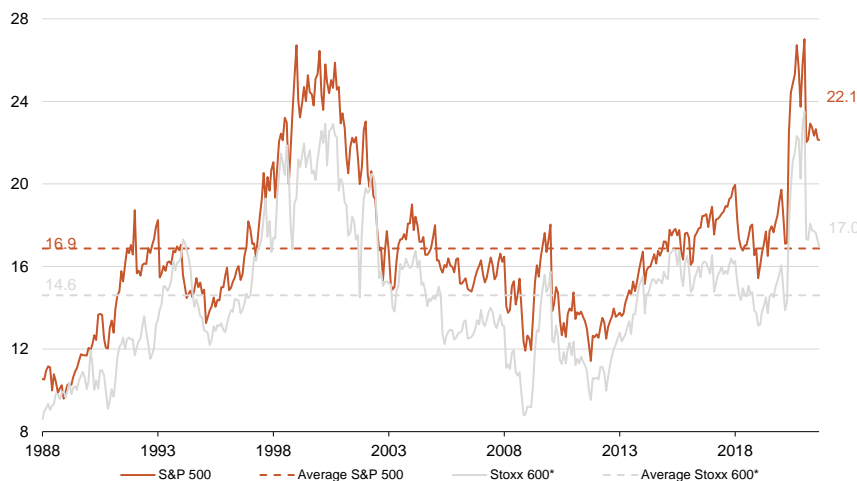


- Despite the recent turbulence, stock markets' year-on-year performance is still remarkable.
- In this context, prices are increasingly driven by rising profits, whereas valuations are declining compared to the previous year.

Analysis of the stock market drivers over the last 12 months. This takes into account the change in earnings estimates and the change in valuation (price/earnings ratio). EPS = earnings per share

Source: Bloomberg, Time period: 01/01/2011 - 20/08/2021

Price-Earnings Ratio (P/E Ratio) of European and US Equities

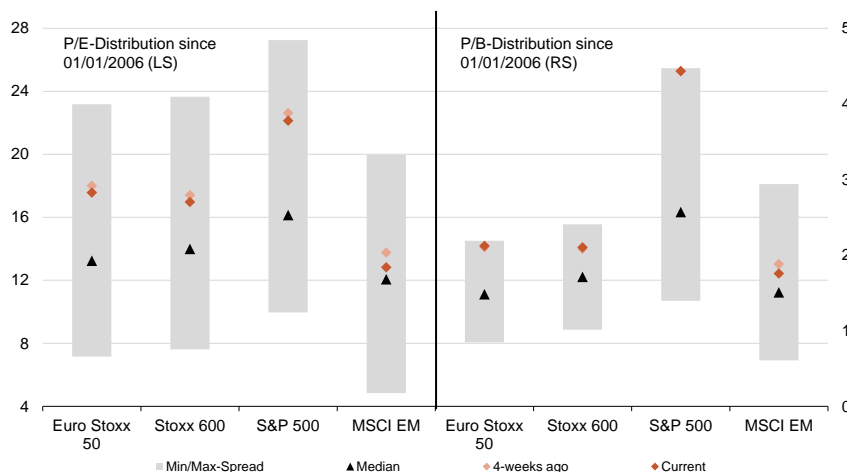


- Equity market valuations have come back somewhat over the last two weeks, but are still significantly elevated by historical standards.
- In Europe, the price-earnings ratio has temporarily fallen below the 17 mark for the first time since the outbreak of the pandemic and is trading at the historical average for US equities.

P/E valuation based on earnings estimates for the next twelve months for European and US equities and the respective P/E average since 1988 * For the Stoxx 600, the history prior to 2000 is of MSCI Europe.

Source: Bloomberg, IBES Time period: 31/12/1987 - 20/08/2021

Historical Distribution: Price/Earnings and Price/Book Ratio



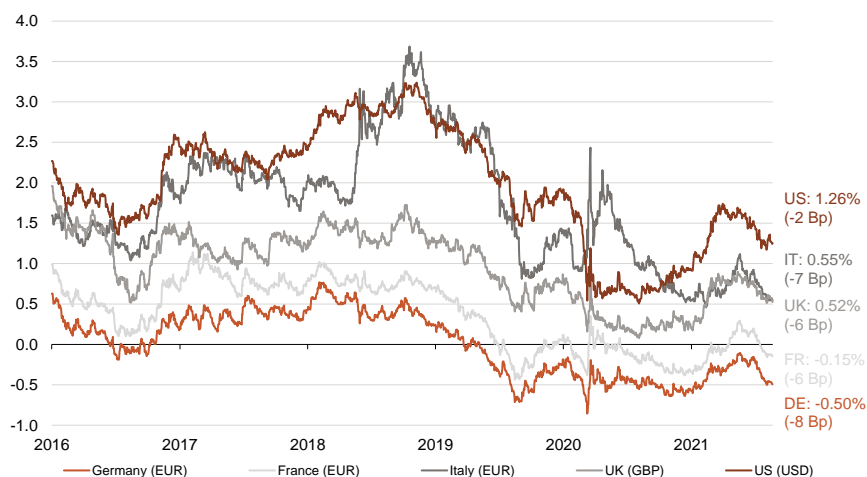
- The biggest discount, both on an earnings and book value basis, was in emerging market equities over the last four weeks. This was mainly due to the wave of regulation in China, which mainly hit the tech giants, which typically are index heavyweights.

Historical distribution of valuation indicators for selected stock regions since 2006, showing the current value, the observation four weeks ago and the historical median, the maximum (upper limit of the grey bar) and the minimum (lower limit of the grey bar).

Source: Bloomberg, Time period: 01/01/2006 - 20/08/2021



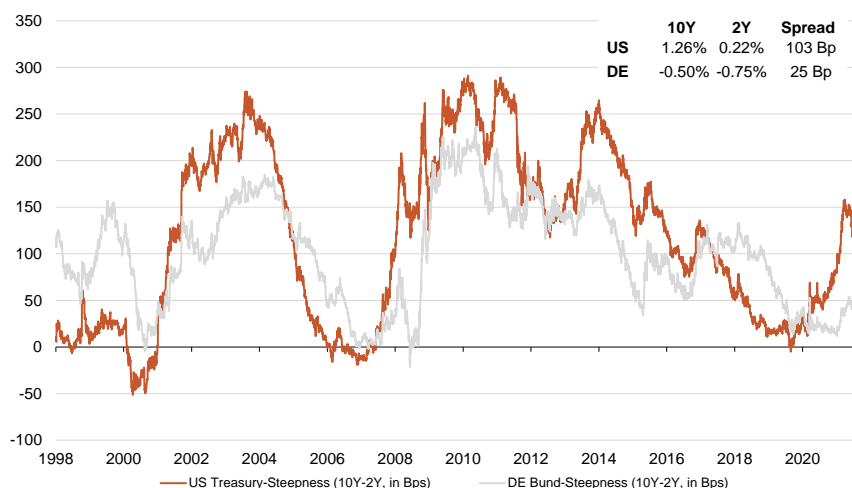
10-Year Government Bond Yields



- Safe-haven government bond yields are trading water. US government bond yields briefly attempted an upward breakout after the strong labour market data. However, growth concerns due to the spread of the delta variant slowed the rise and caused a sideways movement.
- In the Eurozone, on the other hand, yields have fallen by up to 8bps in the last four weeks.

Effective yield of 10-year government bonds and change in the last four weeks in basis points (in brackets).
Source: Bloomberg, Time period: 01/01/2016 - 20/08/2021

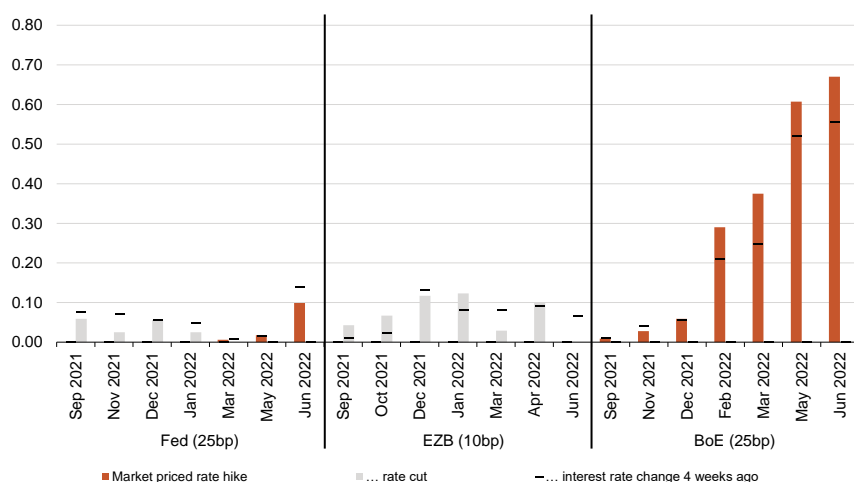
Yield Curve Steepness (10Y - 2Y)



- The steepness of the US and German yield curves has also declined slightly in recent weeks as investors' growth concerns have increased further.

The yield curve distinguishes between the so-called short and the long end. The reason for this lies in the way in which factors influence returns. Central banks control the short end of the curve through their monetary policy and key rates. By contrast, the long end is influenced less by central banks than by inflation expectations, supply, demand and risk premia.
Source: Bloomberg, Time period: 01/01/1998 - 20/08/2021

Implicit Changes in Key Interest Rates

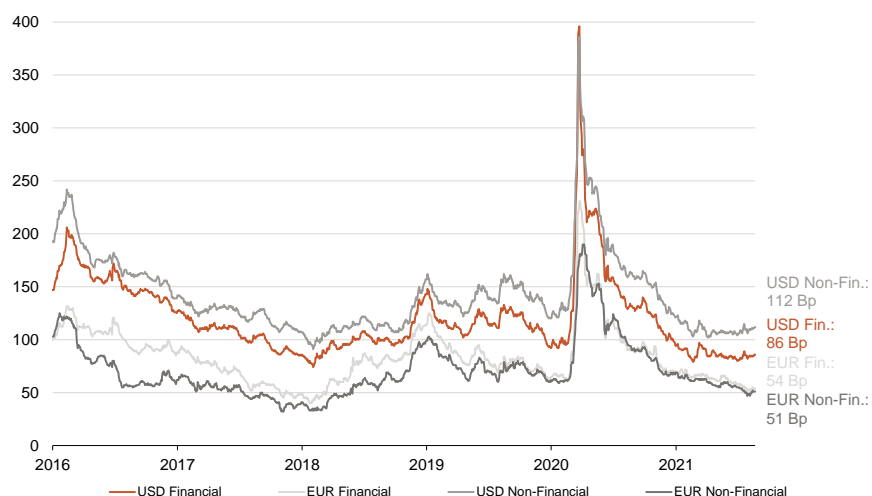


- The likelihood of a mid-2022 rate hike in the US has not moved much despite the rather hawkish Fed minutes. Some Fed members have spoken out in favour of withdrawing monetary support as early as the end of the year.
- In the UK, on the other hand, the market sees a rate hike in mid-2022 as just under 70% likely.

Derivatives on money market rates - such as the Fed funds futures - can be used to determine changes (number of steps) in the key interest rate priced by the market
Source: Bloomberg, Time period: 23/07/2021 - 20/08/2021



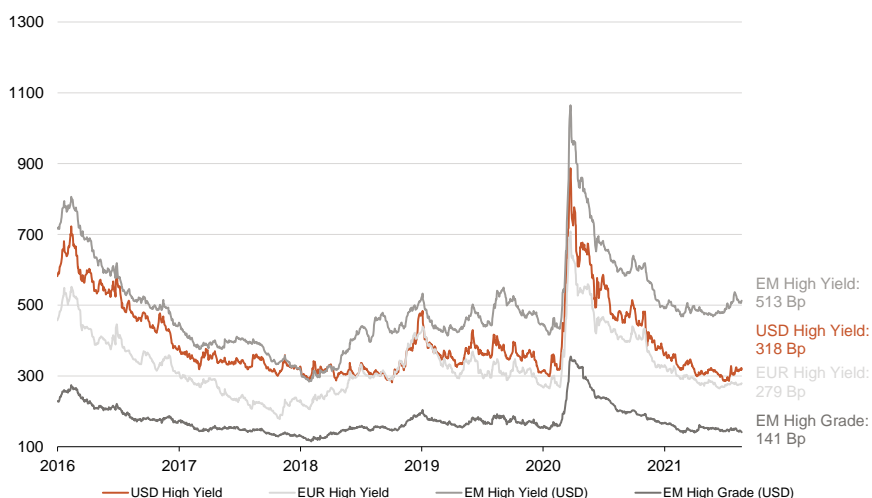
Credit Spreads Financial and Non-Financial Bonds



- Spreads on investment-grade corporate bonds have continued to move sideways over the past two weeks.
- Even though quality is likely to remain in demand, we see only very limited narrowing potential in the coming months at current spread levels.

Explanations see middle and bottom illustration.
Source: FactSet, Time period: 01/01/2016 - 20/08/2021

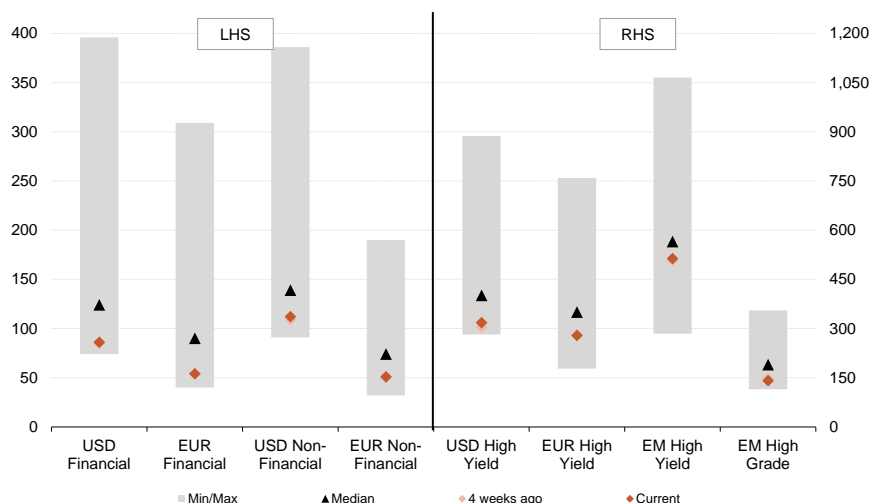
Credit Spreads High Yield and Emerging Markets Bonds



- Spreads on high-yield bonds have not risen significantly in the last two weeks despite the spread of the delta variant and growth concerns. USD and EUR high-yield bonds saw a small spread widening, while EM high-yield bonds even saw spreads narrow. This continues to indicate a solid risk appetite.

The extent of the risk associated with a corporate bond is shown by its asset swap spread (in basis points). This indicates the yield that the issuer must pay in addition to the swap rate for the respective term to offset its credit risk. See further explanations below.
Source: FactSet, Time period: 01/01/2016 - 20/08/2021

Historical Distribution of Credit Spreads (in bp)



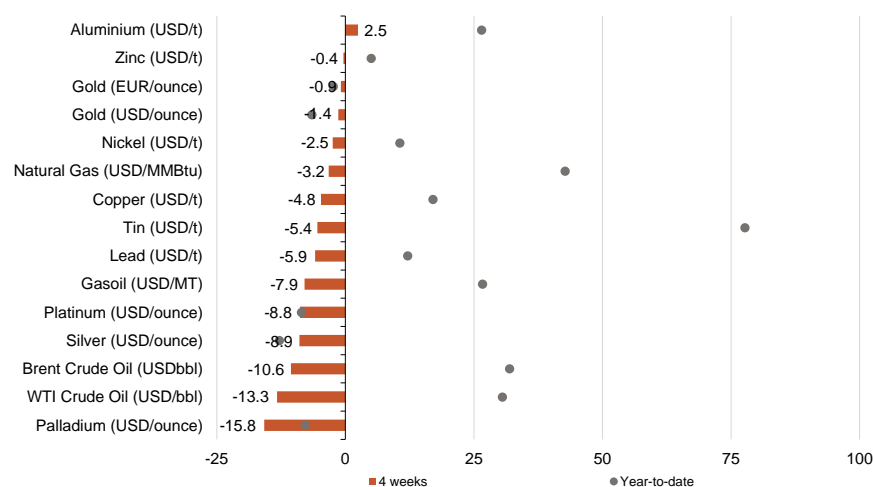
- While the spreads on USD corporate bonds are already at the lower end of the 10-year range, there is still considerably more room to move downwards on EM high-yield bonds, especially after the recent widening of spreads. We therefore still see the greatest potential there.

USD Financial = ICE BofAML US Financial; EUR Financial = ICE BofAML Euro Financial; USD Non-Financial = ICE BofAML US Non-Financial; EUR Non-Financial = ICE BofAML Euro Non-Financial; USD High Yield = ICE BofAML US High Yield; EM High Yield = ICE BofAML High Yield Emerging Markets Corporate Plus; EM High Grade = ICE BofAML High Grade Emerging Markets Corporate Plus. The EM indices shown here are hard currency bonds.

Source: FactSet, Time period: 20/08/2011 - 20/08/2021



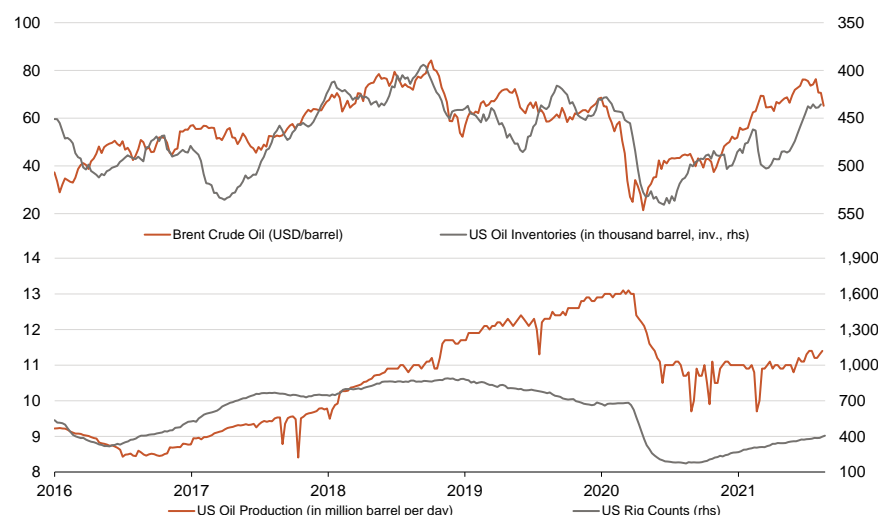
Commodities Performance



- From a cross-asset perspective, commodities were the big losers in recent weeks. Only aluminium recorded a positive performance. The reason for the weakness is in particular the concerns about rising COVID-19 case numbers in Asia, which could result in lower demand.

Total return of selected commodity prices, in percent, sorted by 4-week performance.
Source: Bloomberg, Time period: 01/01/2021 - 20/08/2021

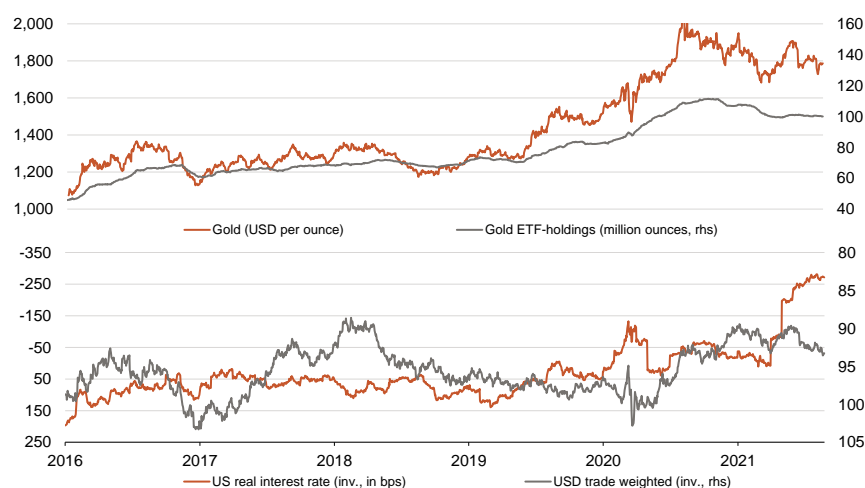
Crude Oil



- Oil (Brent) is trading at USD 66 per barrel, the lowest since mid-May. Since the beginning of August, the energy commodity, whose market is still likely to be in a supply deficit, has already fallen by over 13%.
- It seems that market participants are expecting a more significant cooling of demand from China, the world's second largest oil consumer.

Higher oil production and higher inventories tend to depress oil prices and vice versa. An increase in active oil rigs indicates a future increase in oil production.
Source: Bloomberg, Time period: 01/01/2016 - 20/08/2021

Gold



- Gold has rallied quickly in the past two weeks after the flash crash and is currently trading at USD 1,790 per ounce. ETF investors, however, did not take advantage of this. If the fears of a Fed tapering at the end of the year prove true, rising real interest rates would weigh on the precious metal.

The US dollar and the real interest rate, i.e. adjusted for inflation, are among the fundamental price factors of the gold price. Rising real interest rates tend to depress the price of gold, while falling real interest rates have a supportive effect. The same applies to the US dollar. The development of gold ETF holdings reflects the demand for gold from financial investors.
Source: Bloomberg, Time period: 01/01/2016 - 20/08/2021

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